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13 IN THE UNITED STATES DISTRICT COURT,
14 EASTERN DISTRICT OF CALIFORNIA, FRESNO

15 METROPOLITAN LIFE INSURANCE
16 COMPANY, a New York Corporation,

17 Plaintiff,

18 v.

19 ACDF, LLC, a California limited liability
20 company, et al.,

21 Defendants.
22

Lead Case No. 1:24-cv-01261-KES-SAB

Consolidated with Case Nos: 1:24-cv-01226;
1:24-cv-01230; 1:24-cv- 01231; 1:24-cv-
01232; 1:24-cv-01233; 1:24- cv-01235; and
1:24-cv-01241

**SECURED CREDITOR U.S. BANK'S
LIMITED OBJECTION TO RECEIVER'S
NOTICE OF PROPOSED ACTION AND
MOTION TO APPROVE
DISBURSEMENT OF MANNING
ESTATE CROP PROCEEDS, AND
RESERVATION OF RIGHTS**

1 U.S. BANK NATIONAL ASSOCIATION, a national banking association and successor in
 2 interest to MUFG Union Bank, N.A., a national banking association (“U.S. Bank”), hereby
 3 submits this limited objection and reservation of rights with respect to Receiver Phillip
 4 Christensen’s (the “Receiver”) *Notice of Proposed Action and Motion to Approve Disbursement of*
 5 *Manning Estate Crop Proceeds* (the “Motion”).

6 U.S. Bank does not object to the Receiver’s specific request for disbursement of the crop
 7 proceeds of the Manning Estate (as defined in the Motion) as specifically requested in the Motion.
 8 U.S. Bank is not objecting to the Receiver’s limited request for disbursement because U.S. Bank
 9 acknowledges that METROPOLITAN LIFE INSURANCE COMPANY (“MetLife”) is the
 10 secured creditor in first position on the 2023 and 2024 crop on this particular property by way of
 11 having filed a UCC-1 financing statement against the crops and related proceeds on these fields
 12 that is prior in time that of U.S. Bank. As a result, U.S. Bank’s security interest on the crops and
 13 crop proceeds on these particular fields comprising the Manning Estate is junior to the security
 14 interests of MetLife on such crops and crop proceeds.

15 However, U.S. Bank objects to the Receiver’s future use of 2023 and 2024 crop proceeds
 16 on any property other than the Manning Estate to pay receivership expenses. U.S. Bank is the
 17 secured creditor in first position on the 2023 and 2024 crop on other MetLife receivership
 18 properties, and the Orders appointing the Receiver in these procedurally consolidated cases
 19 expressly forbid the Receiver from using 2023 and 2024 crop proceeds to pay receivership
 20 expenses. *See, e.g.*, Lead Case, ECF No. 45. Specifically, Section II of the Orders appointing the
 21 Receiver states that the 2023 and 2024 crop proceeds have to be held in trust by the Receiver, that
 22 the Receiver cannot surcharge the 2023 and 2024 crop proceeds to pay receivership expenses, and
 23 that any receiver’s certificate will be junior to the rights of all creditors (including U.S. Bank) in
 24 the 2023 and 2024 crop proceeds:

25 “The Receiver shall collect and hold the Proceeds in a Receivership
 26 account in trust for creditors with security interests in such Proceeds,
 27 to be disbursed by the Receiver only upon further order of the Court.
 28 Prior to disbursement, the existing security interests of Plaintiff, and
 any other secured creditor (including U.S. Bank, as applicable) shall
 attach to such Proceeds with the same validity, extent, and priority as

1 they had on the 2023 and 2024 Crops and the products and proceeds
2 thereof prior to the appointment of the Receiver. The Receiver shall
3 have no right to surcharge the Proceeds and any Receiver's Certificate
 issued hereunder shall be junior in priority to the security interest of
 the secured creditors in the Proceeds."

4 Lead Case, ECF No. 45 at p. 13:16-23.

5 Importantly, Section II of the Orders appointing the Receiver (which deals specifically
6 with 2023 and 2024 crop proceeds) specifically supersedes Section III, which deals with the
7 receivership estates more generally and allows Receiver to use receivership property proceeds
8 (other than 2023 and 2024 crop proceeds) to pay receiver expenses. *Id.* at p. 11:9-12 ("This
9 Section II governs the collection and disbursement of proceeds arising from crops grown in 2023
10 and 2024 on the MetLife Receivership Property (collectively, the 'Proceeds'). To the extent of
11 any inconsistency between the provisions of this Section and the balance of this Order, this
12 Section shall prevail.").

13 U.S. Bank notes this because the Receiver only cited Section III from the Orders
14 appointing the Receiver, suggesting that the ability to use proceeds of the receivership estate
15 generally to pay receivership expenses applies to the 2023 and 2024 crop proceeds. *See* Motion at
16 4:7-12. Clearly, because Section II of the Orders specifically supersedes Section III, this ability to
17 use receivership property proceeds generally to pay receivership estate expenses does NOT apply
18 to the 2023 and 2024 crop proceeds. Neither does the Receiver have the ability to request
19 permission to use 2023 and 2024 crop proceeds to pay for receivership expenses under Section II
20 of each Order, given that Section II expressly forbids any such surcharge and makes all Receiver's
21 certificates junior to the interests of secured creditors.

22 Accordingly, to the extent the Receiver now, or in the future, seeks to use proceeds of the
23 2023 and/or 2024 crop to pay for receivership expenses on any property other than the Manning
24 Estate property that is the subject of the instant Motion, U.S. Bank will object, as this is expressly
25 forbidden by the Orders appointing the Receiver in these procedurally consolidated cases. Indeed,
26 it is forbidden relative to the Manning Estate as well, but given that MetLife is senior on the crop
27 on this particular property, the 2023 and 2024 crop proceeds could be distributed directly to
28

1 MetLife and re-advanced as protective advances to Receiver, and therefore in good faith U.S.
2 Bank will be practical and not object to the use of the 2023 and 2024 crop proceeds to pay
3 receivership expenses on this particular property, but no others.

4 U.S. Bank reserves all rights as junior creditor on the Manning Estate, including without
5 limitation to any rights to marshal in connection with a real estate sale of this property, as well as
6 all rights as senior creditor on the crop on other properties in the procedurally consolidated
7 MetLife receiverships. U.S. Bank also expressly reserves the right to file one or more motions to
8 require 2023 and 2024 crop collateral proceeds on other properties in these procedurally
9 consolidated cases to be distributed to U.S. Bank.

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11 Dated: September 24, 2025

12 SHEPPARD, MULLIN, RICHTER & HAMPTON LLP

13
14 By /s/Michael M. Lauter
MICHAEL M. LAUTER

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16 Attorneys for Secured Creditor
U.S. BANK, NATIONAL ASSOCIATION